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DEPARTMENT OF THE INTERIOR AND RELATED  
AGENCIES APPROPRIATIONS FOR 2000

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED SIXTH CONGRESS  
FIRST SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND  
RELATED AGENCIES

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NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking  
Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

DEBORAH WEATHERLY, LORETTA BEAUMONT, JOEL KAPLAN, and CHRISTOPHER TOPIK,  
*Staff Assistants*

PART 2

Justification of the Budget Estimates

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FY 2000 BUDGET JUSTIFICATION OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

TRUST FUNDS RECLASSIFICATION

In addition to these discretionary budget proposals, the 2000 Budget includes a significant change in the budgetary classification of tribal trust funds. Beginning in 2000, approximately \$2.1 billion of tribal trust funds will be reclassified as non-budgetary, similar to the classification of individual Indian money accounts. The change in budgetary classification specifically acknowledges tribal ownership of these trust funds, a fact that has long been acknowledged in the Secretary's day-to-day management of these funds. This change will have no impact on trust fund services provided to tribes, and the obligations of Secretary will remain intact.

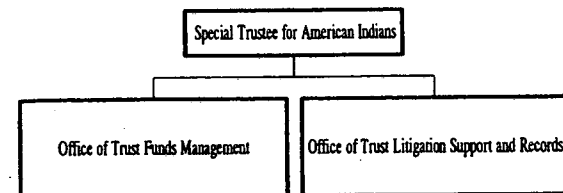
Over the past year, the Department has worked with the Office of Management and Budget (OMB) to address the issue of budgetary classification of the Indian trust funds. Over the past year staff from OMB and the Department of the Interior have reviewed the budget classification of the Tribal trust funds. The conclusion of this effort has been the determination that a substantial part of these funds are true fiduciaries and are non-budgetary in nature. This will result in a change in the classification of the affected accounts beginning with the FY 2000 budget.

The FY 2000 Budget reflects the decision to move most of the Indian trust accounts "off budget". The accounts to be moved "off-budget" in FY 2000 include those account balances derived from court judgment awards and revenue from natural resource programs. In addition, the Department has begun a process of reviewing each trust fund originating from legislative acts to determine the appropriate budgetary treatment for all remaining balances. This process results in the creation of two new accounts in FY 2000 - Tribal Trust Funds and Tribal Special Funds, and the elimination of other accounts.

FY 2000 BUDGET JUSTIFICATION OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

Organization Chart

Office of the Special Trustee  
Organization Chart



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**FY 2000 BUDGET JUSTIFICATION OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

**DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS  
INDIAN LAND CONSOLIDATION PILOT**

Object Classification	(dollars in thousands)		
	1998	1999	2000
Identification code: 14-2103-0	Actual	Estimate	Estimate
Direct Obligations:			
11.1 Full-time permanent.	0	175	175
11.9 Total personnel compensation	0	175	175
12.1 Civilian personnel benefits	0	35	35
21.0 Travel and transportation of persons	0	8	12
23.3 Com., utilities, and misc charges	0	8	10
24.0 Printing and reproduction	0	10	15
25.2 Other services	0	150	220
26.0 Supplies and materials	0	8	8
31.0 Equipment	0	16	25
32.0 Land and structures	0	4,590	9,500
99.0 Subtotal, obligations	0	5,000	10,000
Personnel Summary			
Direct:			
1001 Total compensable work-years			
Full-time equivalent employment.	0	2	4

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1903

**FY 2000 BUDGET JUSTIFICATION OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS**

**Trust Funds**

**Budgetary Reclassification of Tribal Trust Funds** -The 2000 Budget includes a significant change in the budgetary classification of tribal trust funds. Beginning in 2000, an estimated \$2.1 billion of tribal trust funds will be reclassified as non-budgetary, similar to the classification of individual Indian money accounts. While most tribal trust funds will be reclassified as non-budgetary, an estimated \$400 million in trust funds managed by OST are expected to continue to be classified as budgetary. The classification process is not yet complete, and the amounts reflected in the budget are estimates.

Fiscal years 1998 and 1999 will not be revised based on the new classification due to the relatively small amount of transactions and the difficulty of retroactively revising the numerous accounts affected by the reclassification. Hence, the request levels in the Summary of Bureau Appropriations, and elsewhere in this document, are not comparable.

A preliminary review by the Department and OMB indicates that two general types of trust funds should be reclassified as non-budgetary: those funded from revenues generated by tribe-owned natural resources and those funded by judgments of the Indian Claims Commission and Court of Claims. Trust funds established pursuant to legislative acts of the Congress will be classified as either budgetary or non-budgetary based upon the terms of the legislation. In general, trust funds established to resolve water, land, or other legal claims are anticipated to be classified as non-budgetary; although certain portions of such settlements that have been allocated to the Secretary to carry out certain requirements (e.g., project construction, water delivery) are expected to remain classified as budgetary.

The change in budgetary classification specifically acknowledges tribal ownership of these trust funds, a fact that has long been acknowledged in the Secretary's day-to-day management of these funds. This change will have no impact on trust fund services provided to tribes, and the obligations of Secretary will remain intact.

This process results in the creation of two new budgetary accounts in FY 2000, Tribal Special Fund and Tribal Trust Fund. As a result of the consolidation of former accounts into these two new accounts, Tribal Special Fund will include those funds designated to carry out government functions; Tribal Trust Fund will include those funds designated in law as trust.

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